Private Banks and Private financial Institutions by the Reserve Bank of India;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the reasons for upgradation of Charminar Bank of Hyderabad to a Multi-State Scheduled Bank despite severe financial irregularities found by Reserve Bank of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (c) In terms of the provisions of Section 35 of the Banking Regulation Act, 1949 Reserve Bank of India (RBI) conducts Annual Financial Inspection of Banks. The findings of RBI's inspection report are taken up with the banks' management for taking remedial steps to ensure that the irregularities observed do not recur. The compliance of the inspection report is monitored by RBI.

The Non Banking Financial Institutions (NBFCs) are regulated and supervised by the RBI under the provisions of Chapter-III and Chapter-V of the RBI Act, 1934. RBI's supervision of NBFCs comprises on-site and off-site inspection, effective market intelligence network and submission of reports by the auditors of NBFCs.

(d) RBI has reported that the Charminar Co-operative Urban Bank Ltd., Hyderabad had applied for Multi-State Status in 1999 and since the bank's financial position as on 31st March, 1999 met all the parameters fixed in this regard, RBI has issued 'No Objection Certificate' for extension of area operation of the bank from Mumbai in Maharashtra to the Central Registrar of Co-operative Societies, New Delhi. The Registration of the bank under the Multi-State Co-operative Societies Act, 1984 has, however, been cancelled by the Central Registrar of Co-operative Societies, New Delhi vide orders dated 19th June, 2002.

Report on alcoholic beverages industry

2153. DR. VIJAY MALLYA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether his attention has been drawn to the news-item which appeared in the Hindu Business Line dated 17th May, 2002 regarding the

report on alcoholic beverages industry submitted by the Joint Working Group set up by the Ministry of Food Processing Industries;

(b) if so, what are the details of the recommendations; and

(c) what action Government have taken on those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The Joint Working Group, in its first report, has recommended modifications in the slabs as well as rates of additional customs duty applicable to imported alcoholic beverages.

(c) A view will be taken after receipt of the final report of the Joint Working Group.

Liquidation of Regional Rural Banks

2154. SHRI KALRAJ MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have liquidated some of the RRBs in the country during the last few years;

(b) if so, the details thereof;

(c) whether the All India Regional Rural Bank's Federation has expressed concern over Government's attempt to liquidate RRBs;

(d) if so, whether the recommendations of the Working Group on Amendments of RRB Act, 1976 has been fully accepted; and

(e) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) No, Sir.

(b) and (c) Do not arise.

(d) The Working Group constituted by Government to review the Regional Rural Banks Act, 1976 is yet to submit its report.

(e) Does not arise.